

## **EXHIBIT E**

Video Addendum to the Hi-MD -  
Secure Video Recording Format  
Content Protection License Agreement  
("Video Addendum")

**VIDEO ADDENDUM**  
**to the**  
**Hi-MD - Secure Video Recording Format -**  
**Content Protection License**

**AGREEMENT**

This Video Addendum (hereinafter referred to as this "Addendum"), made as of this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_ by and between Sony Corporation, a corporation organized and existing under and by virtue of the laws of Japan, having its principal office at 7-35, Kitashinagawa 6-chome, Shinagawa-ku, Tokyo Japan (hereinafter referred to as "Sony") and \_\_\_\_\_, a corporation organized and existing under and by virtue of the laws of \_\_\_\_\_, having its principal office at \_\_\_\_\_ (hereinafter referred to as "Licensee"), supplements and amends that certain "Hi-MD - Secure Video Recording Format - Content Protection License Agreement" entered into by Sony and Licensee as of \_\_\_\_\_ (hereinafter referred to as the "MG-R(SVR) Basic CP Agreement").

**W I T N E S S E T H:**

WHEREAS, Sony has granted certain rights to Licensee under the MG-R(SVR) Basic CP Agreement to use certain portions of MG-R(SVR) for Hi-MD to design, have designed, develop, have developed, manufacture, have manufactured, use, sell, offer for sale and otherwise dispose of Licensed Audio Products (as defined below);

WHEREAS, Licensee desires to obtain rights from Sony to use MG-R(SVR) for Hi-MD to design, have designed, develop, have developed, manufacture, have manufactured, use, offer for sale, sell and otherwise dispose of products capable of securely recording and playing back certain audiovisual content ("Hi-MD Video Products"); and

WHEREAS, Sony is willing to grant such rights to Licensee upon the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties hereto agree as follows:

**ARTICLE I**  
**DEFINITIONS**

1.01 For the purposes of this Addendum, the capitalized terms below shall have the respective meanings set forth below. For the purposes of the MG-R(SVR) Basic CP Agreement, ARTICLE I thereof shall hereby be amended to include the

following definitions. To the extent that any capitalized term is defined both in ARTICLE I of this Addendum and in ARTICLE I of the MG-R(SVR) Basic CP Agreement (without regard to this Addendum), the definition set forth below shall control.

“Addendum” shall mean this Addendum.

“Affiliate” shall mean, with respect to any person or entity, any other person or entity that directly or indirectly Controls, is Controlled by or under common Control with such person or entity.

“Compliance Rules” shall mean the requirements set out in Exhibit C of this Addendum, as may be amended by Sony from time to time pursuant to Paragraph 3.03 of the Agreement.

“Device Node Key for Hi-MD Video” shall mean a cryptographic value for MG-R(SVR) for Hi-MD to be allocated to each individual Licensed Video Product (defined below).

“Device Key Set” shall mean a set consisting of a Device Node Key for Hi-MD Video and its related data including, but not limited to, the information used for Revocation.

“Format License Agreement” shall mean, collectively, a “Hi-MD Player and Recorder Agreement” (either Type I or Type II) entered into with Sony (such agreement, without regard to the Video Format Addendum, the “Basic Format License”) and the corresponding “Video Addendum to the Hi-MD Player and Recorder Agreement” entered into with Sony (the “Video Format Addendum”).

“IC Adopter Agreement” shall mean an agreement with respect to the use of MG-R(SVR) to design, have designed, develop, have developed, manufacture, have manufactured, use, offer for sale, sell or otherwise dispose of certain integrated chips that implement certain core functions of MG-R(SVR), entitled “Hi-MD Secure Video IC – Secure Video Recording Format - Content Protection License”.

“Licensed Audio Know-How and Copyrights” shall mean any trade secrets and copyrights embodied in the SVR CP Specifications (Audio).

“Licensed Audio Patents” shall mean claims of a patent or patent application under which Sony, any Licensee, any Fellow Licensee, or any of their respective Subsidiaries, has the right, during the term of this Agreement, without a payment of royalties to third parties, to grant licenses and which claims are necessarily infringed in order to implement MG-R(SVR) for Hi-MD in Licensed Audio Products or “Licensed Audio Patents” do not include any claims relating to aspects of any technology (even if disclosed with particularity), standard or product that is an optional part of the SVR CP Specifications (Audio) or is not itself part of the SVR CP Specifications (Audio) such as, but not limited to, CSS, MPEG, IEEE1394 and any copy protection system (other than MG-R(SVR) for Hi-MD), including: (1) claims relating to other copy protection, compression, encoding

or decoding technologies (even though such technology, standard or product may otherwise be mentioned in or required by the SVR CP Specifications(Audio)) or tamper resistance technology; (2) claims that may be practiced in an implementation of any Licensed Audio Product in compliance with the SVR CP Specifications (Audio) where an alternative implementation the SVR CP Specifications (Audio) in a Licensed Audio Product exists that would not infringe such claims (even if in the same patent as Licensed Audio Patents); or (3) claims that read solely on any implementations of any portion of the SVR CP Specifications (Audio) that are not within the bounds of the scope of use set forth in the Agreement (without regard to the Addendum) or any Content Participant Agreement.

“Licensed Audio Product” shall mean a product manufactured pursuant to a Basic Format License that embodies the design set out in the SVR CP Specifications (Audio) and (ii) is in compliance with the SVR CP Specifications (Audio) and the Robustness Rules.

“Licensed Product” shall mean a product that is a Licensed Audio Product or a Licensed Video Product.

“Licensed Video Know-How and Copyrights” shall mean any trade secrets and copyrights embodied in the SVR CP Specifications (Video).

“Licensed Video Patents” shall mean claims of a patent or patent application, other than Licensed Audio Patents, under which Sony, any Licensee, any Fellow Licensee, or any of their respective Subsidiaries, has the right, during the term of this Agreement, without a payment of royalties to third parties, to grant licenses and which claims are necessarily infringed in order to (a) implement MG-R(SVR) for Hi-MD in Licensed Video Products or (b) use or cause to be used MG-R(SVR) for Hi-MD to protect Commercial Audiovisual Content. “Licensed Video Patents” also do not include any claims relating to aspects of any technology (even if disclosed with particularity), standard or product that is an optional part of the SVR CP Specifications (Video) or is not itself part of the SVR CP Specifications (Video) such as, but not limited to, CSS, MPEG, IEEE1394 and any copy protection system (other than MG-R(SVR) for Hi-MD), including: (1) claims relating to other copy protection, compression, encoding or decoding technologies (even though such technology, standard or product may otherwise be mentioned in or required by the SVR CP Specifications(Video)) or tamper resistance technology; (2) claims that may be practiced in an implementation of any Licensed Product in compliance with the SVR CP Specifications where an alternative implementation the SVR CP Specifications in a Licensed Product exists that would not infringe such claims (even if in the same patent as Licensed Video Patents); or (3) claims that read solely on any implementations of any portion of the SVR CP Specifications (Video) that are not within the bounds of the scope of use set forth in the Agreement or any Content Participant Agreement.

“Licensed Video Product” shall mean a product manufactured pursuant to a Format License Agreement that embodies the designs set out in the SVR CP Specifications and

(ii) is in compliance with the SVR CP Specifications, the Compliance Rules and the Robustness Rules.

“MG-R(SVR) for Hi-MD” shall mean MG-R(SVR) customized for the Hi-MD System, as set forth in the SVR CP Specifications.

“Revocation” shall have the meaning given in ARTICLE V of the Addendum.

“Revocation Information” shall mean the Revocation information generated by Sony for the Revocation of Device Node Keys for Hi-MD Video and provided by Sony to Licensee from time to time.

“Robustness Rules” shall mean the requirements set out in Exhibit D of the Agreement as may be amended by Sony from time to time pursuant to Paragraph 3.03 of the Agreement, together with the Compliance Rules.

“SVR CP Specifications (Audio)” shall mean the specifications listed in Exhibit A of the Agreement, as may be revised by Sony from time to time pursuant to Paragraph 3.03 of the Agreement.

“SVR CP Specifications (Video)” shall mean the specifications listed in Exhibit A-1 of this Addendum which specify certain requirements, in addition to the SVR CP Specifications (Audio), as may be revised by Sony from time to time pursuant to Paragraph 3.03 of the Agreement.

“SVR CP Specifications” shall mean, collectively, the SVR CP Specifications (Audio) and the SVR CP Specifications (Video).

## **ARTICLE II** **INTELLECTUAL PROPERTY**

2.01 ARTICLE II of the MG-R(SVR) Basic CP Agreement is hereby amended and restated as follows:

(a) Subject to the terms and conditions of this Agreement, Sony hereby promises, on behalf of itself and its Subsidiaries, not to assert any claim of infringement under any Licensed Patents, or under any Licensed Know-How or Copyrights, against Licensee or any of Licensee’s Subsidiaries with respect to Licensee’s or its Subsidiaries’ using MG-R(SVR) for Hi-MD to design, have designed, develop, have developed, manufacture, have manufactured, use, offer for sale, sell or otherwise dispose of, during the term of this Agreement, Licensed Products; provided, however, that such non-assertion covenant shall not extend to (i) any implementation of MG-R(SVR) for Hi-MD other than in a Licensed Product; (ii) with respect to the Licensed Video Patents and Licensed Video Know-How and Copyrights, any implementation of MG-R(SVR) for Hi-MD other than in a Licensed Video Product; (iii) Licensee or Licensee’s Subsidiaries if Licensee or any of Licensee’s Subsidiaries are otherwise in

violation of this Agreement or (iv) if Licensee asserts or if any of its Subsidiaries asserts any claim of infringement under any Licensed Patents, or under any Licensed Know-How or Copyrights, against Sony or any of its Subsidiaries.

(b) The promises of non-assertion granted to Licensee and Licensee's Subsidiaries under Paragraph 2.01(a) shall in no event be construed to include a promise of non-assertion with respect to the design, development, manufacture, offer for sale, sale or other disposal in whole or in part of any portion of a Licensed Product other than those portions that implement MG-R(SVR) for Hi-MD pursuant to the SVR CP Specifications.

2.02 Licensee, on behalf of itself and its Subsidiaries, hereby agrees not to assert against Sony, any Fellow Licensee or any of their respective Subsidiaries any claim of infringement under its or their Licensed Patents or under any Licensed Know-How or Copyrights with respect to (x) in the case of Fellow Licensees, Sony, and their respective Subsidiaries, the use of MG-R(SVR) for Hi-MD to make, have made, design, have designed, use, offer to sell, sell or otherwise dispose of Licensed Products and (y) with respect to Sony, the licensing of MG-R(SVR) for Hi-MD; provided, however, the provisions of this Paragraph 2.01(b) shall not extend to (i) any entity that asserts or whose Subsidiary asserts against Licensee or any of its Subsidiaries any claim of infringement under its or their Licensed Patents, or under any Licensed Know-How or Copyrights, with respect to activities or products within the scope of Paragraph 2.01 or (ii) with respect to the Licensed Video Patents and Licensed Video Know-How and Copyrights, any implementation of MG-R(SVR) for Hi-MD other than in a Licensed Video Product.

2.03 Licensee, on behalf of itself and its Subsidiaries, hereby promises not to assert against any Content Participant or any of its Subsidiaries any claim of infringement under its or their Licensed Patents, or under any Licensed Know-How or Copyrights, with respect to the use or causation of use of MG-R(SVR) for Hi-MD to protect Commercial Audiovisual Content in compliance with the applicable Content Participant Agreement. The provisions of this Paragraph 2.03 shall not extend to any entity that asserts or whose Subsidiary asserts any claim of infringement under any Licensed Patents, or under any Licensed Know-How or Copyrights, against Licensee or any of Licensee's Subsidiaries with respect to activities or products within the scope of Paragraph 2.01.

2.04 For avoidance of doubt, the non-assertion covenants granted pursuant to Paragraph 2.01 to any entity that is a Subsidiary of Licensee shall apply only for so long as such entity falls within the definition of "Subsidiary" with respect to Licensee.

2.05 For avoidance of doubt, Licensee and Licensee's Subsidiaries shall not sell, offer for sale, distribute or otherwise dispose of any products under this Agreement unless such products are Licensed Audio Products that comply with the SVR CP Specifications (Audio) and the Robustness Rules or Licensed Video Products that

comply with the SVR CP Specifications, the Robustness Rules and the Compliance Rules.

### **ARTICLE III** **SPECIFICATION; CHANGES**

3.01 Paragraph 3.01 of the MG-R(SVR) Basic CP Agreement is hereby amended and restated as follows: “Sony shall deliver to Licensee the SVR CP Specifications (Audio) within thirty (30) days after the effective date of this Agreement or the effective date of the Basic Format License between Licensee and Sony, whichever is later. Sony shall deliver to Licensee the SVR CP Specifications (Video) within thirty (30) days after the date of the execution of the Addendum or the Video Format Addendum between Licensee and Sony, whichever comes later. Licensee and its Subsidiaries shall, in no event, make copies of, whether in printed or electronic form, or distribute to any third party, in whole or in part, the SVR CP Specifications without the prior written consent of Sony.”

3.02 Paragraphs 3.02 and 3.03 of the MG-R(SVR) Basic CP Agreement are hereby amended by replacing all references therein to “Robustness Rules” with “Robustness Rules or Compliance Rules.”

3.03 Paragraph 3.04 of the MG-R(SVR) Basic CP Agreement is hereby amended by replacing “Robustness Rules” with “Robustness Rules and, in the case of products that implement some or all of the SVR CP Specifications (Video), the Compliance Rules.”

### **ARTICLE IV** **DEVICE NODE KEYS FOR HI-MD VIDEO**

4.01 ARTICLE IV of the MG-R(SVR) Basic CP Agreement is hereby amended and restated as follows:

#### **“ARTICLE IV** **DISCLOSURE OF DEVICE NODE KEY FOR HI-MD VIDEO**

4.01 Licensee acknowledges that each Licensed Video Product shall utilize a single Device Key Set, which shall incorporate both a Device Node Key for Hi-MD Video and Revocation Information.

4.02 Licensee shall purchase Device Node Keys for Hi-MD Video for utilization in Licensed Video Products from Sony or its Subsidiaries as Sony may designate in writing to Licensee from time to time. Together with Licensee’s first purchase of such Device Node Keys for Hi-MD Video, Sony shall provide Licensee with the then current Revocation Information to be incorporated into Device Key Sets. The fees for the Device Node Keys for Hi-MD Video are set forth in Exhibit H to the Addendum.

4.03 Licensee acknowledges that Sony will update the Revocation Information when a Device Node Key for Hi-MD Video issued to any Fellow Licensee is Revoked pursuant to ARTICLE VI. Sony shall notify Licensee when a Device Node Key for Hi-MD Video has been Revoked and, together with such notice, shall provide Licensee with updated Revocation Information. Licensee shall, within 60 days of the receipt of such notice, cease to incorporate Revocation Information obtained prior to such notice ("Old Revocation Information") into any Device Key Set. In no event shall the terms of this Paragraph be construed to convey a warranty or representation from Sony or as establishing any liability arising out of the activities set out in this Paragraph.

4.04 Unless Licensee is a party to an IC Adopter Agreement, Licensee shall purchase, for incorporation in Licensed Video Products, integrated chips that implement certain core functions of MG-R(SVR) from Sony or such third parties as shall be authorized by Sony for the manufacture, distribution and sale of such integrated chips and notified by Sony to Licensee from time to time. The terms and conditions for the purchase of such integrated chips shall be determined by Licensee and the applicable seller.

4.05 Licensee shall, and shall cause its Subsidiaries to:

(a) in no event generate, duplicate or modify any Device Node Key for Hi-MD Video;

(b) in no event use any Device Node Key for Hi-MD Video or Revocation Information for any purpose other than as provided in this Agreement;

(c) purchase only such number of Device Node Keys for Hi-MD Video as shall be reasonably necessary for the manufacture of Licensed Video Products, keep such Device Node Keys for Hi-MD Video and Revocation Information strictly in a secure location in the custody of Licensee, its Subsidiaries or Subcontractors (as applicable) and take all necessary steps to prevent the loss, misuse, duplication or modification of such Device Node Keys for Hi-MD Video or Revocation Information;

(d) treat Device Node Keys for Hi-MD Video and Revocation Information in accordance with the instructions given by Sony from time to time;

(e) upon the execution of the Addendum, each appoint one (1) employee of Licensee or its Subsidiaries (as applicable) who will order, take receipt of and administer Device Node Keys for Hi-MD Video and Revocation Information on behalf of Licensee or its Subsidiaries (as



applicable) and provide Sony with such information as Sony may request from time to time (including, but not limited to, the name and contact information of such employee and any information pertaining to the location or use of any Device Node Key for Hi-MD Video or any Revocation Information). Licensee shall give Sony prior written notice of any change in the identity of the employee(s) appointed pursuant to this provision;

(f) in no event disclose any Device Node Key for Hi-MD Video, Revocation Information or information pertaining thereto to any third party, except as provided in Paragraph 4.08 below; and

(g) either (i) return to Sony the Old Revocation Information in its or any of its Subsidiaries' or Subcontractors' possession, or (ii) destroy all Old Revocation Information in its or any of its Subsidiaries' or Subcontractor's possession, and certify such destruction in writing to Sony, in each case, immediately after such sixty (60) day period set out in Paragraph 4.03.

4.06 Sony shall, from time to time and upon reasonable prior notice, have the right to inspect security measures implemented at Licensee's, Licensee's Subsidiaries' and their respective Subcontractors' facilities with respect to handling of Device Node Keys for Hi-MD Video and Revocation Information. No such inspection shall be construed as approving such security measures, nor shall any such inspection constitute a waiver or release of Licensee or its Subsidiaries of any liability arising from the breach of this Agreement.

4.07 Without limiting the terms of ARTICLE VIII (Disclaimer), nothing contained herein shall be construed as a warranty or representation by Sony as to the authentication capabilities of Device Node Keys for Hi-MD Video.

4.08 Licensee and its Subsidiaries acknowledge that Device Node Keys for Hi-MD Video and Revocation Information are Confidential Information and may only be disclosed to Subcontractors in accordance with the provisions of ARTICLE V and ARTICLE IX."

## **ARTICLE V** **REVOCATION**

5.01 ARTICLE VI of the MG-R(SVR) Basic CP Agreement is hereby amended and restated as follows:

**“ARTICLE VI  
REVOCATION OF DEVICE NODE KEYS FOR HI-MD VIDEO**

6.01 The SVR CP Specifications include means by which Device Node Keys for Hi-MD Video (including for the avoidance of doubt, Device Node Keys for Hi-MD Video issued to Licensee or issued to Fellow Licensees) of certain devices may be invalidated, rendering such devices unable to decode data via MG-R(SVR) for Hi-MD (“Revocation” or “Revoked”). Sony may Revoke Device Node Keys for Hi-MD Video when it is required to do so pursuant to Paragraph 6.01(c) below or it has otherwise been determined, pursuant to the procedures set forth in Exhibit G to the Addendum and made a part hereof, that one or more of the criteria set forth in Paragraphs 6.01(a) or (b) below (“Revocation Criteria”) have been met:

- (a) a Device Node Key for Hi-MD Video has been cloned such that the same Device Node Key for Hi-MD Video is found in more than one device or product;
- (b) a Device Node Key for Hi-MD Video has been lost, stolen, intercepted or otherwise misdirected or made public or disclosed in violation of a Hardware Adopter Agreement, as amended by the Addendum; or
- (c) Sony is directed to Revoke a Device Node Key for Hi-MD Video by a court order or other competent government authority.

6.02 NEITHER SONY NOR ANY OF ITS AFFILIATES SHALL BE LIABLE TO LICENSEE OR ANY OF LICENSEE’S SUBSIDIARIES FOR ANY DIRECT, INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL OR PUNITIVE DAMAGES ARISING OUT OF REVOCATION OF DEVICE NODE KEYS FOR HI-MD VIDEO PURSUANT TO THIS ARTICLE VI.”

**ARTICLE VI  
PROCEDURES FOR THIRD-PARTY BENEFICIARY CLAIMS**

6.01 Paragraph 10.01 of the MG-R(SVR) Basic CP Agreement is hereby amended by inserting “and, in the case of products that implement some or all of the SVR CP Specifications (Video), the Compliance Rules,” after the reference to “Robustness Rules.”

**ARTICLE VII  
TERM AND TERMINATION**

7.01 Paragraph 11.01 of the MG-R(SVR) Basic CP Agreement is hereby amended and restated as follows: “This Agreement shall be effective from the date first

written above and, unless otherwise terminated in accordance with this Agreement , shall continue in full force and effect until either the Basic Format License between Licensee and Sony or the Video Format Addendum between Licensee and Sony is terminated or expired.

7.02 Paragraph 11.03 of the MG-R(SVR) Basic CP Agreement is hereby amended and restated as follows: "Upon termination or expiration of this Agreement, Licensee and its Subsidiaries shall immediately cease use of Device Node Keys for Hi-MD Video. Within thirty (30) days after termination or expiration of this Agreement, Licensee shall, as directed by Sony, (i) return all Confidential Information (including, but not limited to such Device Node Keys for Hi-MD Video and Revocation Information) in its or any of its' Subsidiaries or Subcontractors' possession to Sony, retaining no copies thereof, or (ii) destroy all Confidential Information (including, but not limited to such Device Node Keys for Hi-MD Video and Revocation Information) in its or any of its Subsidiaries' or Subcontractors' possession, retaining no copies thereof, and certify such destruction in writing to Sony."

7.03 This Addendum shall become effective as of the date first above written.

#### **ARTICLE VIII** **EFFECT OF THE PROVISIONS OF THE ADDENDUM**

8.01 In the event of any conflict or inconsistency between the terms of this Addendum and the terms of the MG-R(SVR) Basic CP Agreement (without regard to this Addendum), the terms of this Addendum shall prevail. Unless otherwise expressly provided herein, the terms and provisions of the MG-R(SVR) Basic CP Agreement shall continue to remain in full forth and effect.

**IN WITNESS WHEREOF**, the parties hereof have caused this Addendum to be signed on the date first above written.

**Sony:**  
Sony Corporation

**Licensee:**  
\_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_  
(Name)  
(Title)

**EXHIBIT A-1**  
**SVR CP SPECIFICATIONS (VIDEO) – ADDENDUM**

Hi-MD System MagicGate Application Note for Video System

## **Exhibit C**

### **Compliance Rules for Hi-MD Video**

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## **1. Definitions**

Capitalized terms below shall have the respective meanings set forth below. All other capitalized terms used in this Exhibit C shall have the respective meanings set forth in the Content Protection License Agreement or SVR CP Specifications. Unless otherwise expressly stated herein, all section references in this Exhibit C shall be deemed references to this exhibit.

**1.1 "AGC" or "Automatic Gain Control"** shall mean the copy control system identified as such (a) for 525/60 or 625/50 interlace scan analog video systems, in the document entitled "Specification of the Macrovision Copy Protection Process for DVD Products, Revision 7.1.D1, September 30, 1999," and (b) for 525/60 or 625/50 progressive scan analog video systems, in the document entitled "Specification of the Macrovision AGC Copy Protection Waveforms for Products with 525p and/or 625p YPbPr Progressive Scan Outputs, Revision 1.2 (February 24, 2003)."

**1.2 "Analog Protection System (APS)"** shall mean the method of protecting analog video content that consists of Automatic Gain Control and Colorstripe.

**1.3 "APS Trigger Bits"** shall mean the information encoded in digital and analog copies of Commercial Audiovisual Content, and in the transmission thereof, in order to trigger the generation of the APS, as specified (a) for 525/60 interlace scan video systems, in IEC 61880 (for inclusion of such value on line 20) or EIA-608-B (for inclusion of such value in line 21), and (b) for 525/60 progressive scan analog video systems, in IEC61880-2 (for inclusion on line 41).

**1.4 "Authorized Access Control Method"** shall mean a method of delivery of content that is an Authorized Secure Digital Output or any other method of delivery of content by which content is not viewable or accessible other than through a commercially adopted access control method (e.g., CSS, CPPM, CPRM, Digicypher, Harmony, DBS or other digital access control technologies, digitally controlled analog scrambling systems, whether now or hereafter in commercial use).

**1.5 "Authorized Protection Method"** shall mean an Authorized Access Control Method or a method of delivery of content that signals content protection through use of a Broadcast Flag associated with such content.

**1.6 "Authorized Secure Digital Output"** shall mean DTCP or HDCP protected digital outputs, in each case as defined hereinafter, or another type of secure digital output approved by Licensor.

**1.7 "Bound Recording Method"** shall mean a method for recording content that effectively and uniquely associates such content with a single Licensed Product (using a cryptographic protocol or other effective means) so that the content of such recording cannot be accessed in usable form by another product except where such content is passed to or accessed by such product via a method permitted under these Compliance Rules.

**1.8 "Bound Recording"** shall mean a recording made using a Bound Recording Method.

**1.9 "Broadcast Flag"** shall mean (i) for unencrypted digital terrestrial broadcast television transmissions ("DTV Content") originating in the United States and its territories under the jurisdiction of the Federal Communications Commission, the Redistribution Control descriptor (rc\_descriptor()) described in ATSC Standard A/65B: "Program and System Information Protocol for Terrestrial Broadcast and Cable." and (ii) for unencrypted digital terrestrial broadcast television transmissions originating in any other jurisdiction in which a similar law or regulation requires consumer electronics products and Computer Products to respond to a flag or trigger associated with such transmissions so as to restrict unauthorized redistribution thereof, such flag or trigger so identified in such law or regulation.

**1.10 "CGMS-A"** shall mean the Copy Generation Management System (analog) as specified (a) for 525/60 interlace scan analog video systems, in IEC 61880 (for inclusion of such value on line 20) or EIA-608-B (for inclusion of such value in line 21), (b) for 625/50 interlace scan analog video systems in ETS 300294 (for inclusion of such value on line 23), (c) for 525/60 progressive scan analog video systems, in IEC61880-2 (for inclusion on line 41), (d) for 625/50 progressive scan analog video systems, in IEC62375 (for inclusion on line 43), and (e) for 750/60 progressive or 1125/60 interlace scan analog video systems, in EIAJCPR 1204-2 (defining the signal waveform carrying CGMS-A) and IEC61880 (defining the bit assignment for CGMS-A).

**1.11 "CGMS-D"** shall mean the Copy Generation Management System (Digital) as specified for the DV Format in the "Blue Book: Specifications of Consumer Use Digital VCRs (DV)".

**1.12 "Colorstripe"** shall mean the so-named copy control system specified for NTSC analog composite video signals in the document entitled "Specification of the Macrovision Copy Protection Process for DVD Products, Revision 7.1.D1, September 30, 1999".

**1.13 "Commercial Audiovisual Content"** shall mean any audio, video or audiovisual works that are (a) not created by a consumer; (b) offered for transmission, delivery or distribution, either generally or on demand, to subscribers or purchasers or the public at



large, or otherwise for commercial purposes, not uniquely to an individual, or a small or private group; and (c) encoded with Content Control Information.

**1.14 "Computer Product"** shall mean a device that is designed for or permits the end user to install a variety of commercially available software applications thereon, including but not limited to personal computers, handheld "Personal Digital Assistants," and the like and further includes a subsystem of such a device, such as a graphics card.

**1.15 "Constrained Image"** shall mean an image having the visual equivalent of no more than 520,000 pixels per frame (e.g. an image with resolution of 960 pixels by 540 pixels for a 16:9 aspect ratio). A Constrained Image may be attained by reducing resolution, for example, by discarding, dithering, or averaging pixels to obtain the specified value. A Constrained Image can be displayed using video processing techniques such as line doubling or sharpening to improve the perceived quality of the image. By way of example, a Constrained Image may be stretched or doubled, and displayed full-screen, on a 1000-line monitor.

**1.16 "Content Control Information"** shall mean the information that represents the content control status of particular content to a Licensed Product, including but not limited to Copy Control Information, APS Trigger Bits, EPN and ICT.

**1.17 "Copy Control Information"** shall mean the information that represents the copy control status of particular content to a Licensed Product, including but not limited to AGC, Colorstripe, CGMS-A, CGMS-D and, if Licensor has declared the Watermark, any information that represents copy control status that may be carried in the Watermark.

**1.18 "Copy Control Not Asserted"** refers to audiovisual content for which limitations on copying are not asserted. For the purpose of clarification and avoidance of doubt, such audiovisual content remains subject to the rights of the copyright owner. For further clarification and avoidance of doubt, audiovisual data that is not labeled with Content Control Information, is treated as Copy Control Information status is Copy Control Not Asserted.

**1.19 "Copy Never"** refers to Commercial Audiovisual Content that has been labeled as Copy Never indicating that no copies are to be made of such content.

**1.20 "Copy One Generation"** refers to Commercial Audiovisual Content that has been labeled as Copy One Generation indicating that only one generation of copies is to be made of such content.

**1.21 "Decrypted SVR Data"** shall mean, with respect to a Licensed Product, SVR Data that has been decrypted by such Licensed Product in accordance with the SVR CP Specifications and has not been re-encrypted using MG-R(SVR).

**1.22 "DTCP"** shall mean Digital Transmission Content Protection, a certain method for encryption, decryption, key exchange, authentication and renewability licensed by Digital Transmission Licensing Administrator, LLC for purposes of protecting certain digital content from unauthorized interception and copying.

**1.23 "DV Format"** shall mean the format defined in the specifications set by HD Digital VCR Conference for standardization of consumer use digital video formats.

**1.24 "EPN"** shall mean an encoding method, including but not limited to the Broadcast Flag, that indicates that Commercial Audiovisual Content is to be protected against unauthorized redistribution and that copy control restrictions are not being asserted with respect to such content.

**1.25 "EPN Asserted"** shall mean that EPN is asserted.

**1.26 "EPN Unasserted"** shall mean that EPN is not asserted. For clarification and avoidance of doubt, audiovisual content received via an Authorized Access Control Method for which an EPN trigger is not present, or via terrestrial digital television broadcast for which the Broadcast Flag is not present, shall be deemed to be labeled EPN Unasserted.

**1.27 "HDCP"** shall mean High-bandwidth Digital Content Protection, a certain method for encryption, decryption, key exchange, authentication and renewability licensed by the Digital Content Protection, LLC for purposes of protecting certain digital content from unauthorized interception and copying.

**1.28 "HDD"** shall mean a hard disk drive.

**1.29 "High Definition Analog Form"** shall mean a format that is an analog video signal that has a resolution greater than a Constrained Image.

**1.30 "High Definition Analog Output"** shall mean an analog output capable of transmitting Commercial Audiovisual Content in High Definition Analog Form.

**1.31 "Image Constraint Token" or "ICT"** shall mean the field or bits, as described in the SVR CP Specifications, used to trigger the output of a Constrained Image in Licensed Products.

**1.32 "Licensed Product"** shall mean a product that (i) embodies the designs set out in the SVR CP Specifications and (ii) is in compliance with all applicable portions of the SVR CP Specifications, Compliance Rules and Robustness Rules.

**1.33 "Logically Bound Copies"** shall have the meaning given in Section 2.4.

**1.34 "Hi-MD Media"** shall mean recordable disc that conforms to applicable specifications for Hi-MD specified by Licensor.

**1.35 "Hi-MD Recording Function"** shall mean the function of a Licensed Product capable of recording, or causing to be recorded, Commercial Audiovisual Content on Hi-MD Media in accordance with the SVR CP Specifications.

**1.36 "Move"** shall mean, with respect to Commercial Audiovisual Content, moving from media containing such content protected with MG-R(SVR) or from an HDD to a recording function using MG-R(SVR) or to an HDD recording function pursuant to Sections 4.2 ,4.3, 4.4(a).

**1.37 "No More Copies"** refers to Commercial Audiovisual Content that has been labeled No More Copies, indicating that it may have originated as Copy One Generation, but that the version being transmitted is from that first generation copy and that therefore no more copies are permitted.

**1.38 "Presently Known Watermark Technologies"** shall mean the technology submitted by VWM Companies to the DVD Copy Control Association, Inc. in November 2001 and the technology defined as ARIS/SOLANA-4C, as required by the SDMI Portable Device Specifications, Part 1, Version 1.0 (July 8, 1999).

**1.39 "Standard Definition Analog Output"** shall mean an analog output not capable of transmitting Commercial Audiovisual Content in High Definition Analog Form.

**1.40 "SVR Data"** shall mean, with respect to a Licensed Product, content that is encrypted using MG-R(SVR), or was previously encrypted by such Licensed Product using MG-R(SVR), but in each case has not been (a) passed to an output permitted by these Compliance Rules or (b) protected by recording technology other than MG-R(SVR) that constitutes an Authorized Access Control Method and is permitted under Section 4.5(i). For avoidance of doubt, SVR Data includes Decrypted SVR Data.

**1.41 "Thumbnail Copy"** shall have the meaning given in Section 2.4.

**1.42 "Watermark"** shall mean the watermark technology that will be designated as the Watermark for MG-R(SVR) by Licensor in its sole discretion.

**1.43 "YUV"** shall mean a component video output comprised of a luminance signal (Y) and two color difference signals (U and V) and specifically includes the following component video signals (Y, Pb, Pr), (Y, Cb, Cr), (Y, Db, Dr) and (Y, B-Y, R-Y).

## **2. Recording Control for Licensed Products that have a Hi-MD Recording Function**

### **2.1 Rules for Inputs Protected by Authorized Protection Methods**

The Compliance Rules specified in this Section 2.1 are applicable solely to Licensed Products with respect to the recording by their Hi-MD Recording Functions onto Hi-MD Media of Commercial Audiovisual Content received through an Authorized Protection Method, provided that, except as expressly provided in Section 4, this Section 2.1 shall not apply with respect to recordings made pursuant to Section 4.

#### **2.1.1 Copy Never**

Licensed Products shall not make, or cause to be made, a copy on Hi-MD Media of Commercial Audiovisual Content labeled "Copy Never."

#### **2.1.2 No More Copies**

Licensed Products shall not make, or cause to be made, a copy on Hi-MD Media of Commercial Audiovisual Content labeled "No More Copies." For avoidance of doubt, nothing in this Section 2.1.2 shall restrict a Licensed Product from making Thumbnail Copies on, or Moving content to, Hi-MD Media pursuant to Sections 2.4, 4.3 or 4.4(a).

#### **2.1.3 Permitted Copy One Generation Copies**

Licensed Products shall not make, or cause to be made, copies on Hi-MD Media of Commercial Audiovisual Content labeled "Copy One Generation" unless such copies are encrypted using MG-R(SVR) and the Copy Control Information is updated according to the SVR CP Specifications to reflect the fact that a copy is being made.

#### **2.1.4 EPN Encoded Content**

Licensed Products may make, or cause to be made, a copy on Hi-MD Media of Commercial Audiovisual Content labeled "EPN Asserted" only if each copy is encrypted by using MG-R(SVR). In such case, no updating of Copy Control Information is required.

### **2.2 Rules for Other Digital Inputs of Licensed Products**

The Compliance Rules specified in this Section 2.2 are applicable solely to Licensed Products with respect to the recording by their Hi-MD Recording Functions onto Hi-MD Media of Commercial Audiovisual Content received through digital inputs, other than Authorized Protection Methods, provided that, except as expressly provided in Section 4, this Section 2.2 shall not apply with respect to recordings made pursuant to Section 4.

#### **2.2.1 Digital Inputs other than Inputs through Authorized Protection Methods—General**

For avoidance of doubt, no restrictions shall apply to recordings made from

audiovisual content received by a Licensed Product via digital inputs other than Authorized Protection Methods, except as expressly set forth in Section 2.2.2.

## **2.2.2 Digital Signal Inputs in the DV Format**

**2.2.2.1** Licensed Products shall scan for CGMS-D associated with Commercial Audiovisual Content received in the DV Format prior to making such a recording of such content on Hi-MD Media. Licensed Products shall be constructed such that, if CGMS-D is detected in such content, the following terms shall apply:

(a) Licensed Products shall not make, or cause to be made, a copy on Hi-MD Media of Commercial Audiovisual Content labeled "Copy Never."

(b) Licensed Products shall not make, or cause to be made, a copy on Hi-MD Media of Commercial Audiovisual Content labeled "Copy One Generation" unless such copy is encrypted using MG-R(SVR) and the Copy Control Information is updated according to the SVR CP Specifications to reflect the fact that a copy is being made.

**2.2.2.2** Licensee is advised that Licensor anticipates amending these Compliance Rules in accordance with ARTICLE III of the Content Protection License Agreement to require detection of Content Control Information (e.g. CGMS-D) in other digital formats when Content Control Information is standardized for such other formats.

## **2.3 Rules for Analog Inputs of Licensed Products**

The Compliance Rules specified in this Section 2.3 are applicable solely to Licensed Products with respect to the recording by their Hi-MD Recording Functions onto Hi-MD Media of Commercial Audiovisual Content received through analog inputs provided that, except as expressly provided in Section 4, this Section 2.3 shall not apply with respect to recordings made pursuant to Section 4.

Licensed Products shall not make, or cause to be made, a copy on Hi-MD Media signals received via an analog input, except for the following analog formats ( i.e., analog formats for which AGC or CGMS-A have been standardized)

- A. NTSC, PAL, or SECAM analog composite video signals including S-video in Y/C format, including the RF signal.
- B. YUV analog component video signals.
- C. RGB signals contained in a SCART connector that is carrying a PAL, SECAM or NTSC composite video signal, provided that the composite video signal is used for the synchronization reference for that RGB signal.

**2.3.1** Licensed Products shall not make, or cause to be made, a copy on Hi-MD Media of Commercial Audiovisual Content if Automatic Gain Control is encoded in the incoming analog signal.

**2.3.2** If Commercial Audiovisual Content received via an analog input includes CGMS-A, CGMS-A shall be used to determine whether such Commercial Audiovisual Content may be recorded on Hi-MD Media, and the following terms shall apply:

(a) such Licensed Product shall not make, or cause to be made, a copy on Hi-MD Media of Commercial Audiovisual Content labeled "Copy Never."

(b) such Licensed Product shall not make, or cause to be made, a copy on Hi-MD Media of Commercial Audiovisual Content labeled "Copy One Generation" unless such copy is encrypted using MG-R(SVR) and the Copy Control Information is updated according to the SVR CP Specifications to reflect the fact that a copy is being made.

#### **2.4 Thumbnails**

Notwithstanding any other provision of these Compliance Rules, in the event that a copy of Commercial Audiovisual Content has been recorded on a Hi-MD Media or HDD with a label of "No More Copies" pursuant to Sections 2.1.3, 2.2.2.1(b), 2.3.2(b), 4.1, 4.2, 4.3 or 4.4(a) (any such "No More Copies" copy, an "Initial Copy"), such Licensed Product may make, or cause to be made, one or more generation copies on such Hi-MD Media or HDD, as the case may be, of such Initial Copy (each, a "Thumbnail Copy"), only if (i) all Thumbnail Copies made directly or indirectly from such Initial Copy are stored on the same Hi-MD Media or HDD, as the case may be; (ii) such Thumbnail Copies are encrypted using MG-R(SVR) (in the case of recordings on Hi-MD Media) or are made using a Bound Recording Method (in the case of recordings on HDD); and (iii) such Thumbnail Copies are logically bound to such Initial Copy, such that if the Initial Copy or any of its Thumbnail Copies (collectively, such Initial Copies and Thumbnail Copies, "Logically Bound Copies") are later Moved from the Hi-MD Media or HDD, none of its other Logically Bound Copies shall thereafter be accessed in useable form on such Hi-MD Media or HDD.

#### **2.5 Storage of Content Control Information**

The Content Control Information detected and/or updated in accordance with Section 2.1.3, Section 2.2.2.1(b) or Section 2.3.2(b) at the time of recording shall be stored as described in SVR CP Specifications.

### **3. Output Controls**

A Licensed Product shall be constructed such that it shall not pass, or direct to be passed, Decrypted SVR Data to an output, whether in digital or analog form, except as follows:

- (a) Where the Decrypted SVR Data is output via an approved Standard Definition Analog Output pursuant to Section 3.1;
- (b) Where the Decrypted SVR Data is output via a High Definition Analog Output pursuant to Section 3.2;
- (c) Where the Decrypted SVR Data is output via a digital output pursuant to Section 3.3;
- (d) Where the Decrypted SVR Data is labeled as "Copy Control Not Asserted" and "EPN Unasserted" in which case there are no restrictions on output; or
- (e) in the case of the audio portion of Decrypted SVR Data, via any analog output.

### **3.1 Standard Definition Analog Outputs**

A Licensed Product shall not pass, or direct to be passed, Decrypted SVR Data to an NTSC, YUV, SECAM, PAL or consumer RGB format analog output (including an S-video output for the listed formats) unless (a) such Decrypted SVR Data is labeled as other than "No More Copies", "Copy Never" or "Copy One Generation" or (b) such Licensed Product is incorporated into a Computer Product and the output is either a VGA output or a similar output that was widely implemented as of May 1, 2001 that carries uncompressed video signals with a resolution less than or equal to a Constrained Image or (c) such Licensed Product generates copy control signals according to the information provided in such Decrypted SVR Data using the technologies set forth in Sections 3.1.1 through 3.1.4:

**3.1.1** For NTSC (525/60i systems) interlace scan analog video signal outputs, the specifications for (i) the Automatic Gain Control and Colorstripe copy control systems and (ii) generation of CGMS-A, provided that all of such technologies must be utilized in order to meet this requirement.

**3.1.2** For PAL, SECAM (625/50i systems) or YUV (525/60i or 625/50i systems) interlace scan analog video signal outputs, the appropriate specifications for (i) the Automatic Gain Control copy control system and (ii) generation of CGMS-A, provided that both of these technologies must be utilized in order to meet this requirement.

**3.1.3** For YUV (525/60p or 625/50p systems) progressive scan analog video signal outputs, the appropriate specifications for (i) the Automatic Gain Control copy control system and (ii) generation of CGMS-A, provided that all of such technologies must be utilized in order to meet this requirement.

**3.1.4** For SCART connectors, the Automatic Gain Control specifications for the PAL, SECAM or NTSC signal carried by that connector, provided that the connector must be configured so that the component signal carried by the connector must always be accompanied by a composite signal and such composite signal must provide the only synchronization reference for the component signal.

**3.1.5** Licensed Products shall apply Analog Protection System (APS) to Decrypted SVR Data labeled as "No More Copies" in accordance with the corresponding APS Trigger Bits identified in the SVR CP Specifications.

## **3.2 High Definition Analog Outputs**

**3.2.1** Licensed Products shall not pass, or direct to be passed, Decrypted SVR Data to a High Definition Analog Output, unless both requirements set forth in (i) and (ii) are fulfilled:

(i) Such Licensed Products may pass, or direct to be passed, such Decrypted SVR Data to a High Definition Analog Output as a Constrained Image.

(ii) Such Licensed Products may pass, or direct to be passed, Decrypted SVR Data to a High Definition Analog Output, if they generate copy control signals using CGMS-A, in accordance with the information provided in such Decrypted SVR Data.

**3.2.2** Notwithstanding Section 3.2.1 above, such Licensed Products incorporated into Computer Products may pass, or direct to be passed, Decrypted SVR Data to XGA, SXGA and UXGA or similar computer video outputs that were widely implemented as of May 1, 2001 (but not to such typical consumer electronics outputs as NTSC, PAL, SECAM, SCART, YUV, S-Video and consumer RGB, whether or not such outputs are found on any Computer Product) as a Constrained Image.

## **3.3 Digital Outputs**

**3.3.1** Licensed Products may not pass, or direct to be passed, Decrypted SVR Data to a digital output except as follows:

(i) To DTCP protected outputs, provided that the Licensed Product shall pass, or direct to be passed, all appropriate Content Control Information associated with such content identified in the SVR CP Specifications to the DTCP Source Function so as to accurately set the DTCP Descriptor in accordance with the specification and license agreement for DTCP;



(ii) To HDCP protected outputs, provided that the Licensed Product shall confirm from the information provided by the HDCP Source Function that such HDCP Source Function is fully engaged and able to deliver Decrypted SVR Data in protected form in accordance with the specification and license agreement for HDCP;

(iii) In the case of Licensed Products incorporated into Computer Products, as a Constrained Image to DVI outputs of devices manufactured on or prior to June 30, 2005, unless otherwise notified by Licensor;

(iv) To any digital output where the Decrypted SVR Data is labeled "Copy Control Not Asserted" and also "EPN Unasserted"; or

(v) Via any other methods approved by Licensor.

**3.3.2** Except as otherwise provided in Section 3.3.1 above, Licensed Products shall not output the audio portions of Decrypted SVR Data in digital form unless in compressed audio format (such as AC3) or in Linear PCM format in which the transmitted information is sampled at no more than 48kHz and no more than 16 bits.

#### **4. Integrated Products**

In the event that a Licensed Product includes (a) a Hi-MD Recording Function or function capable of accessing in usable form content stored on a Hi-MD Media and (b) functions capable of recording onto, or accessing in usable form content stored on, another storage medium, including but not limited to an HDD (such Licensed Product, an "Integrated Product"), the requirements of this Section 4 shall apply to such Licensed Product.

##### **4.1 Recording Control for HDD Recordings By Integrated Products**

In the event that there is a possibility that content recorded on an HDD by or at the direction of an Integrated Product may later be copied from such HDD to Hi-MD Media by or at the direction of such Integrated Product, such Integrated Product shall not record on such HDD content received through digital inputs other than those protected by an Authorized Protection Method, or through an analog input, unless such Integrated Product records such content on such HDD in a manner pursuant to Section 2, provided that in lieu of any obligation to record content on a Hi-MD Media by using MG-R(SVR), such Integrated Product shall make such recording using a Bound Recording Method on the HDD. Recordings made on HDD from content received via an Authorized Access Control Method shall be subject to any restrictions imposed by the license for such Authorized Access Control Method.

##### **4.2 Rules for Transmission Via Internal Connections From Hi-MD Media to HDD**

An Integrated Product shall not pass a copy of SVR Data recorded on Hi-MD Media to

an HDD recording function in or controlled by such Integrated Product unless (i) such SVR Data is labeled "Copy Control Not Asserted" or "EPN Asserted" or (ii) such SVR Data is labeled "No More Copies" and (a) such copy on Hi-MD Media and all Thumbnail Copies made on the Hi-MD Media directly or indirectly therefrom and any other Logically Bound Copies with respect thereto, are deleted from such Hi-MD Media or otherwise rendered unusable and (b) such copy and any Logically Bound Copies with respect thereto that are also passed to such HDD recording function pursuant to this Section 4.2 remain Logically Bound Copies on such HDD. Except if such copy is labeled "Copy Control Not Asserted" and also "EPN Unasserted," such copy passed to an HDD recording function pursuant to this Section 4.2 must be stored on the HDD using a Bound Recording Method.

#### **4.3 Rules for Transmission Via Internal Connections From HDD to Hi-MD Recording Function**

An Integrated Product shall not record or cause to be recorded onto Hi-MD Media a copy passed to the Hi-MD Recording Function of such Integrated Product of content stored on an HDD as a Bound Recording, where such HDD is contained in, or such Bound Recording is controlled by, the same Integrated Product unless (i) such content is labeled "Copy Control Not Asserted" or "EPN Asserted" or (ii) such content is labeled "No More Copies" and (a) such content on the HDD and all Thumbnail Copies made on such HDD directly or indirectly therefrom and any other Logically Bound Copies with respect thereto, are deleted from such HDD or otherwise rendered unusable and (b) such copy and any Logically Bound Copies with respect thereto that are also passed from such HDD to such Hi-MD Recording Function pursuant to this Section 4.3 remain Logically Bound Copies on the Hi-MD Media. Except if such copy is labeled "Copy Control Not Asserted" and also "EPN Unasserted," such copy must be encrypted on the Hi-MD Media using MG-R(SVR).

#### **4.4 Rules for Transmission Via Internal Connections From Storage Media Other Than HDD to Hi-MD Recording Function**

An Integrated Product shall not record or cause to be recorded onto Hi-MD Media a copy passed to the Hi-MD Recording Function of such Integrated Product of content stored on a storage medium, other than an HDD, where such storage medium is contained in, or content stored on such storage medium is controlled by, the same Integrated Product, unless:

- (a) such content on such other storage medium is encrypted with MG-R(SVR) and
- (i) the content is labeled "Copy Control Not Asserted" or "EPN Asserted" or (ii) the content is labeled "No More Copies" and (x) such copy, and all Thumbnail Copies *made on the same originating media directly or indirectly therefrom*, and any other Logically Bound Copies with respect thereto, are deleted from the originating storage medium or otherwise rendered unusable; (y) such copy and any Logically Bound Copies with respect thereto that are also passed from such other storage

medium to such Hi-MD Recording Function pursuant to this Section 4.4 remain Logically Bound Copies on the destination Hi-MD Media; and (z) such copy is encrypted on the destination Hi-MD Media using MG-R(SVR);

(b) such content is passed from the other storage medium to the Hi-MD Recording Function using an Authorized Access Control Method and such recording is not prohibited by the license applicable to such Authorized Access Control Method; or

(c) such recording can otherwise be made without violating any other applicable license agreement and in the event that any portion of a Program received through a digital input other than a digital input protected by an Authorized Protection Method, or through an analog input, is so passed to such Hi-MD Recording Function from such other storage medium during the period during which such Program is being recorded on such other storage medium by or at the direction of such Integrated Product, such Integrated Product shall comply with the terms of Sections 2.2, 2.3 and 2.5 as if such Hi-MD Recording Function received such Program directly from such digital or analog input. For purposes of this Section 4.4, "Program" shall mean any work of Commercial Audiovisual Content.

#### **4.5 Rules for Transmission Via Internal Connections From Hi-MD Media to Other Recording Functions**

An Integrated Product shall not pass, or direct to be passed, SVR Data recorded on Hi-MD Media to a recording function in or controlled by the same Integrated Product other than an HDD recording function (i) if the Copy Control Information is labeled "EPN Asserted" unless such recording is made using MG-R(SVR) or CPRM, D-VHS or any other recording method permitted under the applicable license for any output technology referenced in Section 3.3 or (ii) if the Copy Control Information is labeled "No More Copies" unless such SVR Data is passed to a recording function that uses MG-R(SVR).

#### **4.6 Output Controls for HDD Content**

For avoidance of doubt, the terms of Section 3 applicable to the output of Decrypted SVR Data shall apply with respect to the output of SVR Data stored on an HDD as a Bound Recording.

### **5. Watermark**

#### **5.1 Watermark**

Licensors may introduce mandatory screening requirements for a watermark technology in the future. Licensors hereby notifies and cautions Licensee, that these Compliance Rules may be modified in the future to ensure that these Compliance Rules are consistent with operation of the Watermark, including, but not limited to, recording control and playback control.

## **5.2 Watermark non-interference**

During the period commencing on the Effective Date of the Content Protection License Agreement to which these Compliance Rules are attached and ending on the date Licensor designates the Watermark, Licensee shall not (a) knowingly design or knowingly develop Licensed Products or a component thereof for the primary purpose of stripping, obscuring, or changing the value of Presently Known Watermark Technologies in audiovisual content that is or may become SVR Data in such Licensed Products or such a component, or (b) knowingly promote, knowingly advertise or knowingly cooperate in the promotion or advertising of Licensed Products or a component thereof for the purpose of stripping, interfering or obscuring Presently Known Watermark in such audiovisual content.

## **5.3 Legitimate Product Features**

Section 5.2 shall not prohibit a Licensed Product or a component thereof from incorporating legitimate features (i.e. zooming, scaling, cropping, picture-in-picture, compression, recompression, image overlays, overlap of windows in a graphical user interface, audio mixing and equalization, video mixing and keying, down-sampling, up-sampling and line doubling or conversion between widely-used formats for the transport, processing and display of audiovisual signals or data, such as between analog and digital formats and between PAL and NTSC or RGB and YUV formats, as well as other features as may be added to the foregoing list from time to time by Licensor by amendment to these Compliance Rules) that are not prohibited by law, and such features shall not be deemed to strip, obscure, or change the value of Presently Known Watermark Technologies.

## **6. Hierarchy of labeling technologies**

In the event that a conflict exists between or among multiple copy control labeling method, the following order of precedence shall control: (1) if Licensor has declared the Watermark, the Watermark; (2) AGC; (3) CGMS-A.

**EXHIBIT G**  
**REVOCATION PROCEDURES**

1. **Notice of Revocation.** In the event that Revocation is requested, Sony shall promptly provide any Fellow Licensee to whom Sony or its designee had issued a Device Node Key for Hi-MD Video for which Revocation has been requested with notice of such requested Revocation and a copy of the affidavit provided by the Revocation Initiators (defined below). If Licensee notifies Sony in writing that Licensee consents to such Revocation of any Device Node Key for Hi-MD Video issued to it hereunder, or if Sony is required to Revoke pursuant to Paragraph 6.01(c) of the Agreement, Sony may take steps to Revoke the applicable Device Node Key for Hi-MD Video.

2. **Assent to Revocation/Dispute Resolution.** No more than fifteen (15) calendar days after the date of notice from Sony, Licensee shall notify Sony whether Licensee desires to contest the grounds for such Revocation. If Licensee notifies Sony that it does not wish to contest the requested Revocation, or if Licensee fails to respond timely to the notice from Sony, the Revocation shall be deemed to be without objection and may proceed. If Licensee timely notifies Sony of its intent to object to the requested Revocation, Licensee shall submit a written statement, under oath, which sets out any facts which disprove or contradict Sony's stated grounds for Revocation ("Revocation Objection"). Within ten (10) business days after receipt of the Revocation Objection, Sony shall provide notice of the Revocation Objection and the Revocation Objection itself to the entity that requested the Revocation. Within thirty (30) days after receipt from the Sony of the notice of the Revocation Objection, the entity or entities that requested Revocation (the "Revocation Initiators") may initiate an arbitration in accordance with the provisions of Paragraph 5 of this exhibit to determine whether the requested Revocation may proceed.

3. **Request for Revocation.** Licensee may seek Revocation by providing proof in a sworn affidavit (the "Licensee Affidavit") of any of the facts relating to any particular Device Node Key for Hi-MD Video issued to Licensee hereunder that would warrant Revocation of such certificate and satisfy one or more of the Revocation Criteria. The Licensee Affidavit shall be sufficiently detailed that Sony can determine solely on the basis of such affidavit whether the facts averred on their face would satisfy one or more of the Revocation Criteria.

4. **Indemnification.** If Licensee has sought Revocation, it shall indemnify and hold harmless and, at Sony's option, defend Sony, any Content Participant that carries the Revocation Information applicable to such Revocation, each of their respective Affiliates, and each of their officers, directors, equivalent corporate officials, employees, representatives and agents ("Indemnified Parties") from and against any and all (i) claims, actions, suits, proceedings or litigation and any losses, deficiencies, damages, liabilities, costs and expenses associated therewith, including but not limited to reasonable attorneys' fees and expenses, arising out of the Revocation of any Device

Node Key for Hi-MD Video for which Licensee had sought Revocation and (ii) other costs or expenses incurred by the Indemnified Parties in connection with such Revocation, including but not limited to any costs and expenses associated with the generation and distribution of information necessary to effect such Revocation and any amounts paid by Sony to Licensees' affected customers or any other entity on account of such Revocation. Sony may require a bond or security reasonably anticipated for such costs.

5. Arbitration Procedures.

(a) The parties to the arbitration brought pursuant to Paragraph 2 of this exhibit shall be the Arbitrating Content Participants, the affected Fellow Licensee(s), if any, that objected to the Revocation pursuant to their respective Hardware Adopter Agreement and/or any designee(s) that such Fellow Licensee(s) may designate (such Fellow Licensees and designees, collectively, the "Affected Licensees") and/or, at its election, Sony (collectively, the "Arbitrating Parties"). The Arbitrating Content Participants shall bear the burden of proof in demonstrating, by a preponderance of the evidence, that one or more of the Revocation Criteria have been satisfied.

(b) There shall be a sole arbitrator, who shall be selected by the Arbitrating Parties from the National Panel of Commercial Arbitrators of the American Arbitration Association within fourteen (14) days of the initiation of arbitration; provided, however, that in the event the Arbitrating Parties cannot agree on a sole arbitrator within such fourteen (14)-day period, the Arbitrating Content Participants, on the one hand, and the other Arbitrating Parties, on the other hand, shall each, promptly thereafter, select one arbitrator from the National Panel of Commercial Arbitrators of the American Arbitration Association and those two arbitrators shall jointly select a third arbitrator from the National Panel of Commercial Arbitrators of the American Arbitration Association, who shall serve as the presiding arbitrator and chairperson of such arbitration.

(c) The arbitrator(s) is (are) empowered solely to determine (a) whether one or more of the Revocation Criteria have been satisfied and (b) if so, only in the circumstance set forth in clause (x) of this Paragraph 5(c), whether Revocation is warranted. Any such determination by the arbitrator(s) shall be final and binding on the parties to the arbitration, and on Sony, if it is not a party to the arbitration, except that whether the arbitrator(s) exceeded his her, or their, authority as specifically described in this Paragraph 5, shall be fully reviewable by a court of competent jurisdiction. In any such arbitration, the Affected Licensee(s), if any, may introduce evidence solely to support the position that one or more of the Revocation Criteria have not been satisfied. In the event that the Arbitrator(s) determine(s) that the Revocation Criteria set forth in Paragraph 6.01 of the Agreement have been satisfied, (x) if Sony is a party to the arbitration and objects to Revocation, it shall have the burden of demonstrating, by a preponderance of the evidence, that Revocation is not warranted, and if Sony fails to meet such burden, Revocation shall be deemed warranted and (y) if Sony is not a party to

the arbitration, Revocation shall be deemed to be warranted. In the event that the arbitrator(s) determine(s) that the Revocation Criteria set forth in Paragraph 6.01 of the Agreement have been satisfied, Revocation shall be deemed warranted.

(d) All costs and fees shall be shared equally as between the Arbitrating Content Participants, on the one hand, and the Affected Licensees, if any, that participate in the arbitration, on the other, provided, however, the arbitrator(s) may otherwise apportion such costs and fees among such Arbitrating Content Participants and Affected Licensees, if any, as the arbitrator(s) may determine.

(e) The prevailing party in such arbitration shall provide to Sony a copy of the arbitrator(s) decision. If, pursuant to this Paragraph 5(e), Revocation is warranted, Sony shall, promptly after it receives such decision, take steps to Revoke the applicable Device Node Key for Hi-MD Video.

**EXHIBIT H**  
**FEES FOR DEVICE NODE KEYS**

**Two Japanese Yen (¥2.-) per Device Node Key.**